

Thrift Financial Report 1998

Explanation of Changes to the Form

The date in the header of each page has been changed to 1998, and the revision date in all footers has been changed to February 1998.

Schedule SC: Consolidated Statement of Condition

SC140 and SC50: Equity Securities and Investments

We have changed the caption and instructions for these data items to more clearly define their contents and the difference between the two fields. SC140, which is included under Cash, Deposits, and Investment Securities, should include only marketable equity securities subject to SFAS No. 115. SC50, on the other hand, should include only those equity investments **not** subject to SFAS No. 115, and consists primarily of unconsolidated subordinate organizations and entities designed as pass-through investments. These new captions appear on the form as follows:

SC140	Equity Securities Subject to SFAS No. 115
SC50	Equity Investments Not Subject to SFAS No. 115 (Excluding FHLB Stock)

SC170 and SC730: Federal Funds and Repurchase agreements

We have combined repurchase agreements and federal funds on both the asset and liability sides of the balance sheet by renaming lines SC170 and SC730. Previously, on the asset side SC170 contained only federal funds sold and securities purchased under agreements to resell were included in assets on SC185 (Other Investment Securities); and on the liability side SC730 contained only securities sold under agreements to repurchase and federal funds purchased were included in liabilities on SC760 (Other Borrowings). The new treatment will better identify these instruments and is consistent with reporting on the commercial bank Call Report.

Assets:

SC170	Federal Funds Sold and Securities Purchased Under Agreements to Resell
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Liabilities:

SC730:	Federal Funds Purchased and Securities Sold Under Agreements to Repurchase
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Schedule VA: Consolidated Valuation Allowances

Headings

We have added headings for the "Reconciliation" and for "Charge-offs, Recoveries, and Specific Valuation Allowance Activity."

VA820 through 825: Equity Investments

This caption was changed as follows to agree with SC50. This new caption appears on the form as follows:

VA820-825	Equity Investments Not Subject to SFAS No. 115
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VA960 through 975: Classification of Assets

The subheading was changed from "End of Quarter Balances by Classification" to "End of Quarter Balances" because special mention is not a "classification."

Schedule CC: Consolidated Commitments and Contingencies

CC435, CC440, and CC450: Standby Letters of Credit

In connection with the addition of data items on recourse, we have combined standby letters of credit from two data items (CC440 and CC450) into one (CC435), which will include all standby letters of credit except those reported as recourse obligations or direct credit substitutes. This new line appears on the form as follows:

CC435 Standby, Not Included on CC465 or CC468

CC455, CC460, CC465, and CC468: Recourse Obligations and Direct Credit Substitutes

CC460, assets sold with recourse, was deleted and replaced with CC455, CC465 and CC468. The new data items collect the total principal amount of assets sold with recourse and direct credit substitutes, and the amount of the direct credit substitutes and recourse obligations. This new section appears on the form as follows:

Recourse Obligations and Direct Credit Substitutes

CC455	Total Principal Amount of Off-Balance-Sheet Assets Covered by Recourse Obligations or Direct Credit Substitutes
CC465	Amount of Direct Credit Substitutes on Assets in CC455
CC468	Amount of Recourse Obligations on Assets in CC455

Schedule CF: Consolidated Cash Flow

Heading for CF190 through CF270: Mortgage Loans Disbursed

We have corrected the heading under mortgage loans from "Mortgage Loans Closed" to "Mortgage Loans Disbursed" to better reflect the changes made to the TFR instructions in March 1997.

CF435: Deposits Acquired, Net of Dispositions in Bulk Transactions (Including Non-OTS Mergers and Conversions)

We have corrected this caption to include the deposits of associations filing a TFR for the first time due to conversion to an OTS-regulated charter.

Schedule SI: Consolidated Supplemental Information

SI255 and SI266: Oakar Deposits

We have revised the heading for these lines to emphasize that they are to be completed only by institutions with Oakar deposits and deleted an unnecessary word ("other") in SI255. These new captions appear on the form as follows:

To be completed **ONLY** by associations with Oakar Deposits:

SI255	Total deposits purchased or acquired from FDIC insured institutions during the quarter
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SI500: Regulatory Liquidity Ratio

We have deleted the word "Average" from this line caption. This new caption appears on the form as follows:

SI500 Regulatory Liquidity Ratio

Schedule SQ: Consolidated Supplemental Questions

Heading

We have changed the statement in the heading to specify that all questions on Schedule SQ except SQ310 should be completed for the reporting savings association only and should not be completed for the consolidated entity.

SQ100: Mergers

We have corrected the line caption to specify that it covers only mergers with other depository institutions. SQ100 should not be answered as "yes" for holding company mergers, mergers of subordinate organizations, or mergers of other affiliates. This new caption appears on the form as follows:

SQ100 Did the reporting association acquire any assets through merger with another depository institution?

SQ170: Push-down Accounting Date

The year in the date has been expanded to four digits. This new caption appears on the form as follows:

SQ170 If the reporting association restated its balance sheet for the first time this quarter as a result of applying push-down accounting, enter the date of the reorganization (MMDDYYYY)

SQ320: Subchapter S Election

We have added the following question:

SQ320 Does the reporting association have a Subchapter S election in effect for Federal income tax purposes for the current tax year?

Schedule CSS: Consolidated Subsidiary Listing

CSS050: Docket Number or Tax ID# of Immediate Parent

We have corrected the caption to include the docket number of the immediate parent when the immediate parent is a savings association. This new caption appears on the form as follows:

CSS050 OTS Docket Number or Tax ID# of Immediate Parent

CSS080 and CSS100 through 103: Type of Entity and Type of Business Codes

We have added the phrase: "See codes in Instruction Manual." These new captions appear on the form as follows:

CSS080 Type of Entity (See codes in Instruction Manual)

CSS100-103 Type of Business (See codes in Instruction Manual)

CSS110: Identification Number of Subsidiary Depository Institution

We have corrected the caption to include FDIC charter numbers for subsidiary non-OTS-regulated institutions. This new caption appears on the form as follows:

CSS110 Identification Number of Subsidiary Depository Institution

CSS115: Other Business Type

We have Indicated on the form that this field is limited to 20 characters. This new caption appears on the form as follows:

CSS115 Other Business Type (Narrative limited to 20 characters)

Schedule CCR: Consolidated Capital Requirement

Throughout the schedule the terms "Tier 1" and "Tier 2" have been reversed with "Core" and "Supplementary."

CCR100 through CCR29: Tangible and Tier 1 (Core) Capital Requirements

The worksheet calculation of the tangible capital requirement has been deleted and the Tier 1 capital requirement worksheet has been revised to provide an easier, more workable format. Although the detailed calculation of tangible capital has been deleted, data fields have been retained for goodwill and other intangible assets (CCR115) and qualifying intangible assets (CCR220), so that tangible capital may be calculated for the tangible equity capital ratio (new data field CCR840). The electronic filing software generates goodwill and other intangibles both in the calculation of tier 1 capital and adjusted total assets (CCR115 and CCR155) from the related field on Schedule SC. However, a feature has been provided in the electronic filing software for the report preparer to override the generated amount on CCR115, where appropriate, to deduct a related deferred tax liability or goodwill on the books of an impermissible subordinate organization deducted elsewhere.

CCR302: Tier 2 Capital: Unrealized Gains on Available-for-Sale Equity Securities

A data item has been added in Tier 2 capital for unrealized gains on available-for-sale equity securities pursuant to the proposed rule published jointly by the OTS, OCC, FDIC, and the FRB, which may take effect in 1998.

CCR375, CCR605, and CCR62: Low Level Recourse

Changes have been made to risk-based capital and risk-weighted assets to give institutions with low-level recourse the option of (1) deducting low-level recourse from risk-based capital on a dollar-for-dollar basis on CCR375 or (2) converting it to a risk-weighted asset amount by entering the low-level recourse amount on CCR605; the electronic filing software then multiplies the recourse amount by 12.5 and adds the result to risk-weighted assets. These new lines appear on the form as follows:

CCR375 Low-Level Recourse Deduction
CCR605 Low-Level Recourse Amount (Before Risk-weighting)
CCR62 Low-Level Recourse Risk-weighted Assets (605 x 12.5)

Risk-weight Subtotals

The following subtotals have been added after low-level recourse:

CCR64 Assets to Risk-weight (Generated in the software)
CCR75 Subtotal Risk-weighted Assets (Generated in the software)
CCR78 Total Risk-weighted Assets (Generated in the software)

No change has been made to CCR530 (Excess Allowances for Loan and Lease Losses), which is placed between CCR75 and CCR78.

CCR810 through CCR840: Capital and Prompt Corrective Action Ratios

Four Capital and Prompt Corrective Action (PCA) ratios have been added at the end of Schedule CCR. The four ratios are generated by the electronic filing software from the data items in the schedule. The ratios provide instant feed-back to associations when the schedule is completed. The ratios will be recalculated whenever an amendment to CCR is filed and will be available in the OTS FOIA database. This new section appears on the form as follows:

Capital and Prompt Corrective Action Ratios

CCR810	Tier 1 Leverage Capital Ratio (Tier 1 Capital ÷ Adjusted Total Assets)
CCR820	Total Risk-Based Capital Ratio (Total Risk-Based Capital ÷ Total Risk-weighted Assets)
CCR830	Tier 1 Risk-Based Capital Ratio (Tier 1 Capital ÷ Total Risk-weighted Assets)
CCR840	Tangible Equity Capital Ratio ((Tangible Capital + Cumulative Perpetual Preferred Stock) ÷ Tangible Assets)